



# County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

DAVID E. JANSSEN  
Chief Executive Officer

July 31, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

## **FIVE-YEAR LEASE MUSEUM OF NATURAL HISTORY 14105 SOUTH NORMANDIE, GARDENA (SECOND DISTRICT) (3 VOTES)**

### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Chairman to sign the attached five-year lease with Byung I. & Malls S. Yoon (Landlord) for the Museum of Natural History (MNH) to occupy 16,169 square feet of warehouse space at 14105 South Normandie Avenue, Gardena, at a maximum initial annual cost of \$289,584 comprised of \$169,584 in base rent and a one-time lump sum payment not to exceed \$120,000 which will be 100 percent net County cost.
2. Find that the proposed lease is exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987 and Section 15061 (b) (3) of the State CEQA Guidelines.
3. Approve the project and authorize the Chief Executive Office (CEO) and MNH to implement the project. The lease will be effective upon approval by your Board, but the term and rent will commence upon completion of the Tenant Improvement (TI) by the Landlord and acceptance thereof by the County of Los Angeles (County).

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to relocate the historic automotive collection of the Research & Collection branch of MNH to the proposed facility. In 2000, the MNH placed its automotive collection on a 35-year loan to the Petersen Automotive Museum (PAM).

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

PAM has sought to terminate the loan program and wants to return the County historic vehicles to the MNH. The County is engaged with PAM in negotiating a resolution to this matter.

MNH has embarked on a long-term strategic plan for making its collections more accessible for research and education entities, along with the general public. The lease is needed to ensure the safety and preservation of the collection, and to provide for the development of public programs related to the museum's automotive collection.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

These recommendations are consistent with the County Strategic Plan Goals of:

- Service Excellence (Provide the public with easy access to quality information and services that are both beneficial and responsive); and
- Fiscal Responsibility (Strengthen the County's fiscal capacity).

Compliance with the County's Strategic Asset Management Principles is further outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The initial annual base rent of this proposed lease is \$ 169,584. The rent will be subject to an annual increase of 4 percent. The total initial annual cost including the lump sum payment of TI's will be \$289,584.

<b>14105 S. Normandie, Gardena</b>	<b>Proposed Lease</b>
<b>Term</b>	Five Years
<b>Total Area</b>	16,169 square feet (sq.ft.)
<b>Annual Base Rent</b>	\$169,584
<b>Base TI Allowance</b>	\$30,000 (\$1.86 per sq. ft.)
<b>Additional TI Allowance*</b>	\$120,000
<b>Maximum Initial Annual Rent</b>	\$289,584
<b>Cancellation</b>	Anytime after 36 <sup>th</sup> month with six months prior notice
<b>Parking (included in Rent)</b>	Six spaces
<b>Option to renew</b>	One five-year option at 90 percent of fair market value
<b>Rental Adjustment</b>	Fixed 4 percent annual increase

\*\$120,000 represents the maximum amount of reimbursable TI funds available for this project. Additional TI funds expended will be reimbursed to the Landlord via lump sum payment within 30 days of the Commencement Date.

Sufficient funding for the proposed lease is included in the 2007-08 Rent Expense Budget and will be billed back to the MNH. MNH has allocated sufficient funds in its 2007-2008 Operating Budget to cover the projected lease costs.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed facility will house MNH's historic automobile collection and provide research space. The terms of the proposed lease are as follows:

- The term commences upon completion of TI's and expires five years thereafter.
- TI's will consist of a dedicated HVAC/Exhaust System environment needed for storage of the collection.
- The lease is a split service agreement whereby the County will be responsible for all janitorial and utilities expenses and the Landlord will be responsible for all remaining operating and maintenance expenses (except HVAC and Exhaust System).
- The lease has a cancellation right at anytime after the third year with six months prior written notice to the Landlord.
- There are six on-site parking spaces included in the rental rate.
- A five-year option to renew the lease at 90 percent of the fair market value.

The CEO-Real Estate Division staff surveyed the City of Los Angeles and South Bay areas to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically and there are no County-owned or leased facilities available for this requirement. Attachment B shows County-owned and leased facilities within the surveyed area. Based upon the survey, staff has established that the annual rental rate in the area is between \$8.16 and \$14.52 per square foot on a split service gross lease. Therefore, the base annual rate of the proposed lease, at \$10.44 per square feet, is within the market range in the area.

### **NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT**

The CEO has performed an initial study of environmental factors and has concluded this project is exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987 and Section 15061 (b) (3) of the State CEQA Guidelines.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease will provide the necessary warehouse space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, MNH concurs with this lease recommendation.

The Honorable Board of Supervisors  
July 31, 2007  
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**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return three original copies of the executed lease and three certified copies of the Minute Order and the adopted stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4<sup>th</sup> Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a stylized flourish at the end.

DAVID E. JANSSEN  
Chief Executive Officer

DEJ:DL  
WLD:PY:hd

Attachments (3)

c: County Counsel  
Auditor-Controller  
Natural History Museum

14105Normandie.b

**NATURAL HISTORY MUSEUM  
14105 SOUTH NORMANDIE AVENUE, GARDENA**

**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
A	Does lease consolidate administrative functions? <sup>2</sup>				X
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>				X
C	Does this lease centralize business support functions? <sup>2</sup>				X
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup>				X
<b>2.</b>	<b><u>Capital</u></b>				
A	Is it a substantial net County cost (NCC) program?		X		
B	Is this a long term County program?		X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?			X	
D	If no, are there any suitable County-owned facilities available?			X	
E	If yes, why is lease being recommended over occupancy in County-owned space?				X
F	Is Building Description Report attached as Attachment B?		X		
G	Was build-to-suit or capital project considered?			X	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered?			X	
D	Why was this program not co-located?				
	1. ____ The program clientele requires a "stand alone" facility.				
	2. <u>X</u> No suitable County occupied properties in project area.				
	3. <u>X</u> No County-owned facilities available for the project.				
	4. ____ Could not get City clearance or approval.				
	5. ____ The Program is being co-located.				
E	Is lease a full service lease? <sup>2</sup> <b>Landlord is unwilling to take responsibility for HVAC maintenance, janitorial service and to pay utilities.</b>			X	
F	Has growth projection been considered in space request?		X		
G	Has the Dept. of Public Works completed seismic review/approval?				X
	<sup>1</sup> As approved by the Board of Supervisors 11/17/98				
	<sup>2</sup> If not, why not?				

**ATTACHMENT B**

**SOUTH BAY SPACE SEARCH  
NATURAL HISTORY MUSEUM  
14105 SOUTH NORMANDIE AVENUE, GARDENA**

<b>LACO</b>	<b>FACILITY NAME</b>	<b>ADDRESS</b>	<b>SQUARE GROSS</b>	<b>FEET NET</b>	<b>OWNERSHIP</b>	<b>SQUARE FEET AVAILABLE</b>
0012	PW ROAD-MAINT DISTRICT 3 OFFICE	5530 W 83RD ST, WESTCHESTER 90045	1400	1260	OWNED	NONE
0013	PW ROAD-DIV #233/333/433 YARD OFFICE	5530 W 83RD ST, WESTCHESTER 90045	2400	2160	OWNED	NONE
0014	PW ROAD-DIV #233/333/433 OFFICE/ GARAGE	5530 W 83RD ST, WESTCHESTER 90045	5500	4950	OWNED	NONE
F224	PW FLOOD-83RD ST YARD OFFICE	5520 W 83RD ST, WESTCHESTER 90045	1920	1824	OWNED	NONE
A061	DCFS-REGION VI CENTURY SERVICES OFFICE	5767 W CENTURY BLVD (BUILDING 2), WESTCHESTER 90045	27000	20955	LEASED	NONE
A240	DCSS-AIRPORT/VENICE ADULT PROTECTIVE SERVICES	5757 W CENTURY BLVD (BUILDING 1), WESTCHESTER 90045	1792	1702	LEASED	NONE
A378	DPSS- AIRPORT/WESTSIDE GAIN REGION I OFFICE	5200 W CENTURY BLVD, WESTCHESTER 90045	50147	47640	LEASED	NONE
X301	LOS ANGELES AIRPORT COURTHOUSE	11701 S LA CIENEGA BLVD, LOS ANGELES 90045	292000	151981	FINANCED	NONE
3394	INGLEWOOD JUVENILE COURTHOUSE	110 E REGENT ST, INGLEWOOD 90301	21539	12024	OWNED	NONE
5933	DHS-CURTIS TUCKER PUBLIC HEALTH CENTER	123 W MANCHESTER BLVD, INGLEWOOD 90301	28734	16828	OWNED	NONE
6330	INGLEWOOD COURTHOUSE	ONE E REGENT ST, INGLEWOOD 90301	210648	82279	OWNED	NONE
0316	PUBLIC LIBRARY- LENNOX LIBRARY	4359 LENNOX BLVD, LENNOX 90304	4657	3679	OWNED	NONE
A338	DCFS-REGION VI HAWTHORNE SERVICES OFFICE	11539 S HAWTHORNE BLVD, HAWTHORNE 90250	31832	27057	LEASED	NONE
B520	DPSS-SOUTHWEST FAMILY WS DISTRICT OFFICE	923 E REDONDO BLVD, INGLEWOOD 90302	40000	27898	OWNED	NONE
A614	DPSS-SOUTHWEST SPEC DIST (VERMONT VILLAGE)	1819 W 120TH BLVD, LOS ANGELES	88546	84119	LEASED	NONE
5374	PUBLIC LIBRARY- WOODCREST LIBRARY	1340 W 106TH ST, LOS ANGELES 90044	7254	5895	OWNED	NONE
A085	DPSS-SOUTHWEST SPEC DIST/PROBATION- CENTINELA	1326 W IMPERIAL HWY, LOS ANGELES 90044	153986	127700	OWNED	NONE
5275	DHS-SOUTH PUBLIC HEALTH CENTER	1522 E 102ND ST, LOS ANGELES 90002	19060	11704	OWNED	NONE
5721	DPSS-SOUTH CENTRAL AP DISTRICT OFFICE	10728 S CENTRAL AVE, LOS ANGELES 90002	51991	32463	OWNED	NONE

**COUNTY OF LOS ANGELES**

**CHIEF EXECUTIVE OFFICE**

**LEASE AGREEMENT**

**DEPARTMENT: NATURAL HISTORY MUSEUM, as Tenant**

**LANDLORD: BYUNG I. & MALL S. YOON**

**14105 South Normandie Avenue, Gardena, CA 90249**

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COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT

THIS LEASE is made and entered into in duplicate original as of the \_\_\_\_\_ day of \_\_\_\_\_, 2007 by and between BYUNG I. YOON and MALL S. YOON (collectively "Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION. The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:

1.1 Defined Terms:

(a) Landlord's Address for Notice: Byung I. & Malls S. Yoon  
Attn: Byung I. Yoon  
14105 South Normandie Avenue, Unit 1  
Gardena, California 90249

(b) Tenant's Address for Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration,  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

(c) Premises: Approximately 16,169 rentable square feet in Unit 3 of the Building, defined below, ("Premises") as shown on Exhibit A attached hereto.

(d) Building: The Building located at 14105 South Normandie Avenue, Gardena, California ("Building"), which is located upon the real property currently assessed by the County Assessor as APN 6102-019-001 ("Property")

- (e) Term: Five years commencing upon Tenant's Acceptance of the Premises as defined in Section 4(a) (the "Commencement Date"); and terminating at midnight on the day before the fifth anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
- (f) Projected Commencement Date: September 1, 2007
- (g) Commencement Date: Acceptance of Premises by Tenant
- (h) Irrevocable Offer Expiration Date: August 1, 2007
- (i) Base Rent: \$14,132.00 per month (which is based upon a rental rate of \$ 0.87 per rentable square foot (adjustable only as provided in Section 2(b) and 5(a) hereof.)
- (j) Early Termination Notice Date: Anytime after three years
- (k) Rentable Square Feet in the Premises: 16,169
- (l) Use: Storage and warehouse use or for any other lawful purposes not incompatible with other uses in the Building.
- (m) Initial Departmental Use: Natural History Museum
- (n) Parking Spaces: Six unreserved parking spaces
- (o) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by

the County of Los Angeles, California.

(p) Asbestos Report: N/A.

1.2 Defined Terms Relating to Tenant Improvements (TIs)

- |  |   |
|--|---|
| (a) <u>Base Tenant Improvement Allowance</u>                                 | \$30,000  |
| (b) <u>Additional Tenant Improvement Allowance</u>                           | \$120,000   |
| (c) <u>Maximum Change Order Allowance</u>                                    | N/A   |
| (d) <u>Additional Tenant Improvement and Change Order Amortization Rate:</u> | N/A   |
| (e) <u>Base Rent Reduction</u>   | N/A   |
| (f) <u>Tenant's Work Letter Representative (if applicable)</u>               | Paul Yeh or Tom Shepos or assigned staff person of the Chief Executive Office-Real Estate Division.                                 |
| (g) <u>Landlord's Work Letter Representative</u>                             | N/A   |
| (h) <u>Landlord's Address for Work Letter Notice</u>                         | 14105 South Normandie Avenue, Unit 1<br>Gardena, California 90249   |
| (i) <u>Tenant's Address for Workletter Notice</u>                            | Board of Supervisors<br>Kenneth Hahn Hall of Administration,<br>Room 383<br>500 West Temple Street<br>Los Angeles, California 90012 |

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

1.3 Exhibits to Lease:

Exhibit A – Floor Plan  
Exhibit B- Commencement Date  
Memorandum  
Exhibit C - Memorandum of Tenant  
Improvement Costs  
Exhibit D - Tenant Estoppel Certificate  
Exhibit E - Subordination, Non-disturbance  
and Attornment Agreement  
Exhibit F - Nondisturbance Agreement  
Exhibit G - Request for Notice  
Exhibit H - Community Business Enterprises  
Form

1.4 Landlord's Work Letter:  
(executed concurrently with this Lease and  
made a part hereof by this reference):

N/A

## 2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Tenant shall have the right within 90 days of approval of this Lease by the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") to field-measure and verify the exact footage of the Premises and/or the Building. All measurements shall be taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association ("BOMA") International except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, Tenant shall have the right to adjust such square footage and reduce the Base Rent in Section 1 accomplished by the mutual execution of a memorandum of understanding between the Landlord and the Tenant. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Base Rent in the event the measured square footage exceeds the amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this subsection (b) Landlord shall appoint an independent firm or person who is experienced in making such measurements whose determination with respect which measurement is correct shall be final and binding upon the parties. Landlord and Tenant shall share equally in the fees of such firm.

3. COMMON AREAS. Tenant may use the following areas in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas, and other common facilities designated by Landlord from time to time for common use of all tenants of the Building (collectively "Common Areas"). Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

## 4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit B. The Commencement Date shall be the date of Tenant's Acceptance of the Premises. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Premises are Substantially Complete, Tenant has inspected the Premises, and Tenant has accepted the Premises. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) the shell and core of the

Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises; (2) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises; (3) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent (final sign-off by City and/or County Fire and Building Inspectors; (4) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease

(b) Termination Right. If the Commencement Date has not occurred within 60 days from the Projected Commencement Date due to Landlord's delay, subject to Tenant Delays or Force Majeure Delays as provided in Landlord's Work Letter, which has been executed concurrently herewith, Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further obligations to one another hereunder.

(c) Early Possession. Tenant shall be entitled to possession of the Premises not less than 30 days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early occupancy shall be subject to all provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Base Rent for such early occupancy period.

(d) Early Termination. Tenant shall have the right to terminate this Lease at any time after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than 180 days prior written notice executed by the Chief Executive Officer of Tenant.

(e) Option to Renew. Provided that no material Default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have the option to renew this Lease for an additional period of Five (5) years under the same terms and conditions except that the rental rate shall be adjusted by negotiation not to exceed 90 percent of the fair market value which Landlord could derive from the demised Premises if they were made available on the open market ("Fair Rental Rate"). The fair rental rate of the demised Premises shall be determined by using the rental rate prevailing for similarly-improved industrial space within a two (2) mile radius of the demised Premises and subtracting there from that portion of the rent covering the tenant improvement allowance, if any, for transactions consummated within the last twelve (12) months immediately preceding the commencement date of the option term. If similarly-improved industrial space cannot be found within a two (2) mile radius of the demised Premises, then the search area shall be enlarged to a five (5) mile radius. In determining the Fair Rental Rate, equitable adjustments to the surveyed rental values shall be made for the size and credit-worthiness of the tenant, the quality of the project, the nature of the tenant's improvements and any other lease terms having an impact on rental values (such



as Tenant's option to expand or purchase). The fair rental survey shall be conducted by the Landlord's appraiser and the Tenant's appraiser, each of which shall be certified and licensed by the State of California. Landlord shall bear the cost of Landlord's appraiser and Tenant shall bear the cost of Tenant's appraiser.

If Landlord and Tenant cannot agree on the Fair Rental Rate ninety (90) days prior to the expiration of the lease term, each shall mutually select a third appraiser who shall also conduct a fair rental appraisal. The third appraiser shall be required to have the same certification and licensing as the first two appraisers. The average of the two (2) appraisals nearest in value shall be the Fair Rental Rate. The cost of the third appraiser shall be borne equally by Landlord and Tenant.

Tenant, by Chief Executive Office letter, shall notify Landlord in writing not less than 180 days prior to the expiration of the lease term, of Tenant's intention to exercise its option. The actual exercise of the option shall be only by the Board of Supervisors of the County of Los Angeles.

In the event Tenant elects to exercise this cancellation option then Tenant shall reimburse Landlord for any remaining additional Tenant Improvement Allowance that have not been amortized and/or paid in a lump sum. Said remaining Tenant Improvement balance shall be paid by tenant to Landlord in a lump sum payment at least Six (6) months after giving written notice.

5. RENT. The first full calendar month's rent shall be due and payable within 30 days of the Commencement Date in the total amount shown in Section 1(i) hereof. A monthly installment in the same amount, subject to the adjustments described herein below, shall be due and payable without demand on or before the first day of each calendar month succeeding the Commencement Date during the Term, except that Rent for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis, provided that Landlord shall file a payment voucher with the Auditor of the County of Los Angeles (the "County") for the monthly Rent prior to the Commencement Date for the initial month(s) of the Term up to and including June, and annually thereafter in June for the ensuing 12 months.

(a)Rent Adjustment. At the beginning of the 13<sup>th</sup> month of the Lease Term and every twelve months thereafter, the Rent shall be increased as follows:

Months	Monthly Rent
13 – 24	\$14,697.28
25 – 36	\$15,285.17
37 – 48	\$15,896.58
49 – 60	\$16,532.44

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon 90 days written notice from Landlord or 90 days written notice from the Chief Executive Officer of Tenant at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders, and requirements in effect during the term hereof, regulating the use, occupancy, or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders, and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition, and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenantable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within 10 days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition, and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within 10 days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became untenantable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to

completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is 30 days after such written notice of termination.

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may (a) declare a default hereunder or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at 10% per annum, from the Base Rent next due as a charge against the Landlord.

#### 10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, including the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirements; and (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined) and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Premises and the Building that the Premises and the Building contain no asbestos containing materials. Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials to the extent required by law.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior walls, roof, concealed plumbing, concealed electrical systems, and telephone intrabuilding network cable (ii) mechanical, electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear are excepted. Landlord's repair obligations include, without limitation, repairs to: (1) the floor covering (if such floor covering is carpeting it shall be replaced as needed but not less often than after 5 years of use); (2) interior partitions; (3) doors; (4) the interior side

of demising walls (which shall be repainted as needed but not less often than every 5 years and (5) signage.

(c) Tenant Obligations

Without limiting the foregoing, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees, and visitors and the repair of low voltage electronic, phone, and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value, and utility to the original work or installation; and (c) be in accordance with all laws.

(d) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than 5 days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at 10% per annum. If not reimbursed by Landlord within 10 days, Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

11. SERVICES AND UTILITIES.

This is a modified Service Lease:

Landlord shall be responsible for providing the following services and utilities to the Premises, at its sole cost and expense:

(a) HVAC. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings in the area in which the Premises is located.

(b) Electricity. Landlord shall furnish to the Premises an amount of electric current not less than 7 watts (connected load) per Rentable Square Foot in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels necessary for Tenant to utilize such capacity in the Premises.

(c) Elevators. N/A

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Sprinkler and sewer service

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a 7 day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

Notwithstanding anything to the contrary set forth in this Lease, Tenant shall pay all utilities serving this Premises.

Additionally, tenant shall be responsible for the remainder of the Premises, which shall include exposed plumbing, lamps and tubes, janitorial services, restrooms and janitorial supplies, trash pick-up, maintenance and repairs of HVAC Systems and truck doors.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Base Rent shall be prorated based upon the percentage of the Premises or Building rendered untenable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

### 13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "Tenant Default") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Section 13 shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

#### 14.LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(c) 19 and 20(b), Landlord shall be in default in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)) ; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such five day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the default by Landlord ("Landlord Default") is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of 10% per annum from the installments of Base Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; or (iv) to terminate this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction, or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. TENANT ASSIGNMENT. Tenant may not assign, or otherwise transfer this Lease without first obtaining Landlord's prior consent: provided, however, that no such assignment, or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

#### 16. ALTERATIONS AND ADDITIONS.

(a) Landlord Consent. Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises; (3) will not materially affect the systems or structure of the Building; (4) does not reasonably interfere with the normal and customary business operations of other tenants in the Building. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

#### 17. CONDEMNATION.

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid, or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

## 18. INDEMNIFICATION.

(a) Tenant's Indemnity. Tenant shall indemnify, defend, and hold Landlord harmless from and against all loss, cost, and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act or omission or willful misconduct of Tenant or its employees or arising from any breach or default under this Lease by Tenant.



The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability, or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, or invitees.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

## 19.INSURANCE.

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates) and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to Landlord and Tenant as their interests may appear and be utilized for repair and restoration of the Premises.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000 and (3) personal and advertising injury of \$2,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease shall constitute a material breach of this Lease.

(b) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Tenant shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

(c) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required.

Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(d) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

## 20. PARKING.

(a) Tenant's Rights. Tenant shall have the right to the number of exclusive reserved parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees, and permittees of the Building.

(g) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receive all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and, extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective 30 days thereafter or (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to \$75.00 per parking space.

## 21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees, or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building, or the Common Areas, except for routine

office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness, or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms, or combinations thereof which are now or become in the future listed, defined, or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects.

As used herein, "Environmental Laws" means any and all federal, state, or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits, or permit conditions, currently existing and as amended, enacted, issued, or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant), and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses, and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building, or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring, or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials on the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, within 30 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit "E" attached hereto and incorporated herein by this reference, but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS. Prior to the Commencement Date, Landlord shall construct the following Tenant Improvements according to specifications mutually agreed by Landlord and Tenant.

- i) Install HVAC System in warehouse.
- ii) Install exhaust system in warehouse.

(a) Base Tenant Improvement Allowance. As part of the Base Rent, Landlord shall provide a Base Tenant Improvement Allowance of \$30,000 (the "Base TI Allowance") to be used for the completion of the proposed Tenant Improvements pursuant to Tenant's Plans and Specifications attached hereto as Exhibit "A" and incorporated herein by this reference. All architecture, engineering and soft costs associated with the Tenant Improvements shall be funded via the Tenant Improvement Allowances set forth in this Section 23.

(b) Additional Tenant Improvement Allowance. In addition to the Base Tenant Improvement Allowance, Landlord shall provide an Additional Tenant Improvement Allowance of \$120,000 (the "Additional TI Allowance") to be used for the completion of the proposed interior Tenant Improvements. The Base TI Allowance combined with the Additional TI Allowance shall amount to \$150,000. Tenant agrees to reimburse Landlord for Tenant Improvement costs above \$30,000 via a lump sum payment within 30 days from Commencement Date. For purposes of ascertaining the actual costs of said Tenant Improvements, Landlord shall provide to Tenant, upon the issuance of a Certificate of Occupancy, or a final sign-off by the City of Gardena, a detailed breakdown of the total costs of constructing the Tenant Improvements and execute a summarized breakdown of the total costs of the Tenant Improvements in the form of Exhibit "C", Memorandum of Tenant Improvement Costs, attached hereto and incorporated herein by this reference. Tenant shall have the right to audit said costs for a period of 24 months from the Commencement Date.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit "E" attached hereto and incorporated herein by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Premises shall provide a written non-disturbance agreement to Tenant, in the form of Exhibit "F" attached hereto and incorporated herein by this reference, within 30 days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Exhibit "G" attached hereto and incorporated herein by this reference.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten days within which to cure such default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

28. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

## 29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms, and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder, or other person who would be entitled to any commission or fees in respect of the negotiation, execution, or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability, or expense incurred by the other party as a result of any claim asserted by any such broker, finder, or other person on the basis of any

arrangements or agreements made or alleged to have been made in variance with this representation.

(d) Entire Agreement. This Lease (and the Landlord's Work Letter and Supplemental Lease Documents) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified, or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit "H" attached hereto and incorporated herein by this reference.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action.

No County officer, employee, agent, or independent contractor has any authority to alter, add, or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice, or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

### 31. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee, or agent to solicit consideration in any form from a landlord with the implication, suggestion, or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either

directly or through an intermediary, consideration in any form to a County officer, employee, or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, Lessee hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including, but not limited to certificate of participation financing.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual



damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend, and hold County and its officers, agents, and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. TAXES. Landlord shall pay promptly all real property taxes, assessments, and special assessments which may be levied or assessed against the Building, Property, or Premises during the term of this Lease or any renewal or holdover period, thereof.

In the event Landlord fails or refuses to pay any or all taxes or assessments when due, then Landlord shall have materially defaulted on this provision of the Lease and Tenant shall give Landlord at least thirty days' advance written notice of its intent to pay such taxes and/or assessments and deduct the respective payment amount from future rental payments as a charge against the Landlord.

Tenant shall not be responsible for any increases in real property taxes attributable to alterations or improvements to areas outside of the area leased to Tenant. Should a transfer of ownership occur and result in an increase in real property taxes, Tenant shall not be responsible for any increase attributable thereto.

33. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County, if applicable, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

By: [Signature]  
Name: Byron N Yoon  
Its: Owner

TENANT:

COUNTY OF LOS ANGELES  
a body politic and corporate

By: [Signature]  
ZEV YAROSLAVSKY  
Chairman, Board of Supervisors

ATTEST:

Sachi A. Hamai  
Executive Officer-Clerk  
of the Board of Supervisors

By: [Signature]  
Deputy

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.



SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

By: [Signature]  
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.  
County Counsel

By: [Signature]  
Deputy County Counsel

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

11 JUL 31 2007

# 11 JUL 31 2007

[Signature]  
SACHI A. HAMAI  
EXECUTIVE OFFICER

76310

[illegible]

EXHIBIT B

COMMENCEMENT DATE MEMORANDUM

Reference is made to that certain lease ("Lease") dated \_\_\_\_\_, 2007, between County of Los Angeles, a body politic and corporate ("Tenant"), and \_\_\_\_\_, a \_\_\_\_\_ ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at \_\_\_\_\_ ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

- (1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date");
- (2) Tenant has accepted possession of the Premises and now occupies the same;
- (3) The Lease commenced on \_\_\_\_\_ ("Commencement Date");
- (4) The Premises contain \_\_\_\_\_ rentable square feet of space; and
- (5) Base Rent Per Month is \_\_\_\_\_.

IN WITNESS WHEREOF, this Memorandum is executed this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

"Tenant"

COUNTY OF LOS ANGELES,  
a body politic and corporate

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

"Landlord"

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

## EXHIBIT C

### Memorandum of Tenant Improvement Costs

This Agreement is dated this \_\_\_\_\_ day of \_\_\_\_\_, 2007, for reference purposes only, by and between Landlord, \_\_\_\_\_, and Tenant, COUNTY OF LOS ANGELES.

The parties hereto have entered into a Lease dated as of \_\_\_\_\_ (the "Lease") for the leasing by Landlord to Tenant of the buildings located at \_\_\_\_\_ ("the Premises").

Landlord and Tenant hereby confirm the following:

A. The final total cost of the tenant improvements is (\$\_\_\_\_\_).

This is comprised of:

Lease Budget		<u>Actual Cost</u>
\$	Tenant Improvement Allowance	\$_____
\$	Additional Tenant Improvement Allowance	\$_____
\$	Change Order Allowance	\$_____
\$	Total	\$_____

IN WITNESS WHEREOF, Lessor and Lessee have respectfully signed this Agreement.

Landlord:

By:

Its: \_\_\_\_\_

Tenant:

COUNTY OF LOS ANGELES

By \_\_\_\_\_

EXHIBIT D

TENANT ESTOPPEL CERTIFICATE

To: [Insert name of party to rely on document]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

Re:    Date of Certificate: \_\_\_\_\_  
      Lease Dated: \_\_\_\_\_  
      Current Landlord: \_\_\_\_\_  
      Located at: \_\_\_\_\_  
      Premises: \_\_\_\_\_  
      Commencement Date of Term: \_\_\_\_\_  
      Expiration Date: \_\_\_\_\_  
      Current Rent: \_\_\_\_\_

County of Los Angeles ("Tenant") hereby certifies that as of the date hereof:

1.        Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.

2.        (a)      A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda, and riders of and to it) is attached to this Certificate as Exhibit A.

          (b)      The current Rent is set forth above.

          (c)      The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend, or cancel the Lease.

          (d)      Except as specified in the Lease, Tenant has no option or right to lease additional space in the Premises or Building or to use any parking.

          (e)      Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

          (f)      Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments, or any other similar rent concession, except as expressly set forth in the Lease.

3.        (a)      The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified, changed, altered, or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.

(c) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT E

SUBORDINATION, NON-DISTURBANCE

AND ATTORNMENMENT AGREEMENT

AND WHEN RECORDED MAIL TO:

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012

)  
)  
)  
)  
)  
)

Space above for Recorder's Use

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SUBORDINATION, NON-DISTURBANCE  
AND ATTORNMENMENT AGREEMENT

NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), \_\_\_\_\_ ("Borrower") and \_\_\_\_\_, ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated \_\_\_\_\_ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a Non-Disturbance provision, all as set forth more fully below.



## Agreement

Therefore, the parties agree as follows:

1. Subordination. The Lease shall be subject and subordinate to the lien of the Deed of Trust and to any renewals, modifications, consolidations, replacements and extensions of the Deed of Trust to the full extent of the principal sum secured by the Deed of Trust including any interest except that if Tenant is granted any option to extend the term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first option to purchase the Property in the Lease such provisions shall not be affected or diminished by this subordination which is conditioned upon the agreement of Borrower and Lender in section 3 hereof.

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Non-Disturbance. The Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted in the Lease.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing

below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: \_\_\_\_\_  
\_\_\_\_\_

To Borrower: \_\_\_\_\_  
\_\_\_\_\_

To Tenant: County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one and the same instrument.

TENANT: COUNTY OF LOS ANGELES,  
a body politic and corporate

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.  
County Counsel

By: \_\_\_\_\_  
Deputy County Counsel

By: \_\_\_\_\_  
David E. Janssen  
Chief Executive Officer

BORROWER:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LENDER: *[Insert name of Lender]*,  
By: \_\_\_\_\_

## NON-DISTURBANCE AND ATTORNMENT AGREEMENT

**Space above for Recorder's Use**

Therefore, the parties agree as follows:

1. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser," as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

2. Nondisturbance. The Transfer of the Property or enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted pursuant to the Lease.

3. Attornment. Provided that Lender complies with Section 2 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

4. Lender Not Obligated. Provided that Lender complies with Section 2 above, Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

5. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: \_\_\_\_\_  
\_\_\_\_\_

To Borrower: \_\_\_\_\_  
\_\_\_\_\_

To Tenant: County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

6. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State. This Agreement is the entire agreement between the Lender and Tenant and may only be modified by a written amendment executed by Lender and Tenant.

APPROVED AS TO FORM

TENANT: COUNTY OF LOS ANGELES,  
a body politic and corporate

RAYMOND G. FORTNER, JR.  
County Counsel

By: \_\_\_\_\_  
\_\_\_\_\_  
Deputy County Counsel

By: \_\_\_\_\_  
\_\_\_\_\_  
Director of Real Estate

BORROWER: [Insert name of Landlord]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

LENDER: [Insert name of Lender]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT G

**REQUEST FOR NOTICE**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

---

**REQUEST FOR NOTICE**

**(UNDER SECTION 2924B CIVIL CODE)**

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

be mailed to County of Los Angeles, Chief Executive Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of Real Estate.

"LENDER:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
SIGNEE'S NAME

Its:     SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF \_\_\_\_\_ ss.

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_  
\_\_\_\_\_ a Notary Public in and for the State of California, personally appeared \_\_\_\_\_  
\_\_\_\_\_ personally known to me (or proved on the  
basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the  
within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed  
the instrument.

WITNESS my hand and official seal

Signature \_\_\_\_\_

My commission expires \_\_\_\_\_.

## EXHIBIT H

### **COMMUNITY BUSINESS ENTERPRISE FORM**

**INSTRUCTIONS:** All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of CBE participation. The information requested below is for statistical purposes only. On final analysis and consideration, leases will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

<b>Firm Name</b>	
<b>Address</b>	
<b>Contact Name</b>	
<b>Telephone No.</b>	
<b>Total # of Employees</b>	
<b>Business Structure*</b>	

\*Corporation, Partnership, etc.

#### MINORITY/WOMEN PARTICIPATION IN FIRM

	OWNERS	ASSOCIATE PARTNERS			
Black/African American					
Hispanic/Latin					
Asian American					
Portuguese American					
A. Indian/Alaskan					
All Others					
<b>TOTAL</b>					
<b>Women*</b>					

\*Should be included in counts above and reported separately)

#### PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		
<b>TOTAL</b>		
<b>Women*</b>		

\*Should be included in counts above and reported separately

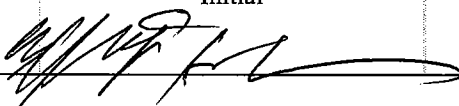


CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

Is your firm currently certified as a minority owned business firm by the:

	yes	No
State of California?		
City of Los Angeles?		
Federal Government?		

WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS FORM.

	Initial
Initial here if applicable	
SIGNED:	
TITLE:	Owner
DATE:	July 11, 07